

Via Facsimile and First Class Mail

Fax (202) 778-5940 Tel (202) 662-5940

JUN - 2 2011

Robert D. Lenhard, Esq. Covington & Burling LLP 1201 Pennsylvania Avenue, NW Washington, D.C. 20004-2401

> RE: MUR 6473 INVISTA S.à.r.l.

Dear Mr. Lenhard:

On May 27, 2011, the Federal Election Commission accepted the signed conciliation agreement you submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441e, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil ponalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Thomas J. Andersen

Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION | PM |2: 10 FEC MAIL CENTER In the Matter of Pre-MUR 512 INVISTA S.à.r.1.

CONCILIATION AGREEMENT

This matter was initiated by a sua sponte submission made to the Federal Election Commission ("the Commission") by INVISTA S.à.r.l. ("the Respondent"). The Commission engaged the Respondent in an expedited Fast-Track Resolution pursuant to its Sua Sponte policy, 72 Fed. Reg. 16,695 (Apr. 5, 2007), and thus has not made reason-to-believe findings in this matter.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of reason to believe or probable cause to believe that a violation has occurred, do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
 - III.
 - IV.
- The pertinent facts in this matter are as follows:

 1. Respondent INVISTA S.à.r.l. is a limited liability company organized under the headquartered in Wichita, Kansas. the laws of Luxembourg and headquartered in Wichita, Kansas.

- 2. Koch Companies Public Sector, LLC ("KCPS") is a shared services organization that advised Respondent on compliance issues, including political law, starting in 2009.
- 3. The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits a foreign national, directly or indirectly, from making a contribution or donation of money or other thing of value in connection with a Federal, State, or local election, or to a committee of a political party. 2 U.S.C. § 441e(a)(1)(A), (B); 11 C.F.R. § 110.20(b). Likewise, Commission regulations prohibit foreign nationals from directing, dictating, controlling, or directly or indirectly participating in the decision-making process of any person, such as a corporation, with regard to such person's Federal or nonfederal election-related activities, including decisions concerning the making of contributions, donations, expenditures, or disbursements in connection with elections for any Federal, State, or local office. 11 C.F.R. § 110.20(i).
- 4. A "foreign national" is an individual who is not a citizen of the United States or a national of the United States and who is not lawfully admitted for permanent residence.

 2 U.S.C. § 441e(b)(2). The term likewise encompasses "a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country." 2 U.S.C. § 441e(b)(1) (citing 22 U.S.C. § 611(b)(3)). Accordingly, Respondent is a "foreign national" under the Act and therefore prohibited from making a contribution or donation of money or other thing of value in connection with a Federal, State, or local election, or to a committee of a political party.
- 5. Between November 2005 and October 2009, INVISTA made twelve (12) campaign contributions totaling \$26,800 to seven (7) nonfederal committees, including one

\$2,000 contribution in 2005 to a candidate for state attorney general, two contributions totaling \$1,100 in 2006 to state candidates, six contributions totaling \$22,100 in 2007 to state candidates, a state PAC, and party committee, and three contributions totaling \$1,600 in 2009 to state candidates.

- 6. In May 2010, KCPS counsel providing political law compliance services to Respondent learned that political contributions may have been made from funds controlled by Respondent, prompting an examination into Respondent's contribution history. An investigative team comprised of KCPS attorneys and outside counsel confirmed that Respondent funded the contributions, conducted interviews with several employees who were involved in making the contributions, and reviewed accounting files, political files, and compliance documents. The investigation concluded that, at the time of the contributions, the employees involved in making the contributions either (1) did not know INVISTA was a foreign entity or (2) did not know that foreign corporations could not contribute to state elections in circumstances where domestic corporations could do so.
- 7. After conducting the investigation, Respondent voluntarily disclosed its findings to the Commission. Specifically, Respondent contacted the Commission in August 2010 to disclose that Respondent had used prohibited funds to make nonfederal contributions, and filed a *sua sponte* submission on December 28, 2010, which describes the extent and findings of the investigation.
- 8. Respondent requested refunds from each committee still in existence and has received refunds from all but one.
- 9. Respondent has fully cooperated with the Commission in its review of this matter.

- V. Respondent, a foreign national, violated 2 U.S.C. § 441e by making \$26,800 in nonfederal contributions.
 - VI. Respondents will take the following actions:
- 1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Four Thousand Seven Hundred Dollars (\$4,700), pursuant to 2 U.S.C. § 437g(a)(5)(A).
 - 2. Respondent will cease and desist from violating 2 U.S.C. § 441e.
- 3. Respondent will send a follow-up letter to the nonfederal committee that has yet to return the contribution. The letter will request that the committee disgorge the foreign national contribution. Within 30 days of the effective date of this agreement Respondent will report to the Commission whether the prohibited contribution at issue has been disgorged.
- VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.
- IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Christopher Hughey Acting General Counsel

BY:

Kathleen Guith

Acting Associate General Counsel

for Enforcement

FOR THE RESPONDENT:

Raymond P. Geoffroy General Counsel 7 APRIL 2011

Date